

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
NORTHERN DIVISION

FLOYD F. ROYSDON and
RUTH ANN ROYSDON,

Plaintiffs.

US.

NO. 3-84-606

R. J. REYNOLDS TOBACCO COMPANY,
Defendant.

Property of: Ness, Motley
Main PI File Room
Charleston, SC

DEPOSITION OF
LAWRENCE W. HALL, JR.
November 25, 1985

APPEARANCES:

FOR THE PLAINTIFFS:

J. D. Lee, Esq.
LAW OFFICES OF J.D. LEE
14th Floor, Andrew Johnson Plaza
Knoxville, TN 37901

FOR THE DEFENDANT:

Robert R. Campbell, Esq.
HODGES, DOUGHTY & CARSON
407 West Main Avenue
Knoxville, TN 37901

Paul G. Crist, Esq.
JONES, DAY, REAVIS & POGUE
Suite 1900, The Huntington Center
Cleveland, Ohio 44115

DEA		MTP	
KFB		LQ	
PAG		ES	
JWE		DOS	
SWF		BUT	
TMO		RWY	
PAH		LY	
GSH		ST	
TE		ST	
TH		ST	
HA		STN	

DEWICK COURT REPORTING

615/ 966-7070
966-6157

Carolyn C. DeWick
Court Reporter

118 Everett Road
Knoxville, Tennessee 37922

5
6
7
8
9
10
11
12
13

HALL, L.

2

I N D E X

	PAGE
EXAMINATION,	
BY MR. LEE-----	5
EXHIBITS (MARKED AND RETAINED BY COUNSEL):	
NUMBER 1, JOB DESCRIPTION (WILL BE PROVIDED)-----	9
NUMBER 2, DOCUMENT DATED 3-31-83-----	13
NUMBER 3, WARNING-----	21
NUMBER 4, WARNING-----	21
NUMBER 5, FOUR ROTATING WARNINGS-----	23
NUMBER 6, DOCUMENT-----	49

50555 5589

1 The deposition of LAWRENCE W. HALL, JR., called as a
2 witness at the instance of the plaintiffs, pursuant to the
3 Federal Rules of Civil Procedure, taken by agreement on the
4 25th day of November, 1985, at the Marriott, Greensboro, North
5 Carolina, before Carolyn C. DeWick, Professional Court
6 Reporter and Notary Public at large, pursuant to the
7 stipulation of counsel.

S T I P U L A T I O N

8
9 It being agreed that Carolyn C. DeWick, Professional
10 Court Reporter and Notary Public at large, may swear the
11 witness, report the deposition in computer shorthand,
12 afterwards reducing the same to computer transcription through
13 the DeWick SKAT(tm) System.

14 All objections except as to the form of the
15 questions are reserved to on or before the hearing.

16 It being further agreed that all formalities as to
17 notice, caption, transmission, etc., excluding the reading of
18 the completed deposition by the witness and the signature of
19 the witness, are expressly waived.

20 MR. CAMPBELL: Before we start, Mr. Lee,
21 the defendant would object to the use of a video recording of
22 the deposition.

23 Secondly, the defendant would point out
24 the existence of a protective order; -- and we say this for
25 the benefit of the court reporter and the video cameraman --

1 there is a protective order in place, referable to the
2 protection of confidential information, and all concerned
3 should be aware of that. We'll point out if necessary later
4 any portions of the deposition that are to be treated as
5 confidential.

6 MR. LEE: I have not read that protective
7 order. I know one went down, and I assume when we get back
8 tomorrow, each of us will have a copy of it, the actual one
9 that went down.

10 MR. CAMPBELL: You have a copy of it.

11 MR. LEE: Right. I have the copy that you
12 gave me, but the actual signed one I have not seen, and -- nor
13 have I had a chance to read that one that I have; I meant to.

14 But my point is that you will have a copy
15 of the one that actually went down, and I'll prepare it with
16 -- or, you and I, together, whatever we need to do under that
17 protective order to be sure that there's no violation of it.

18 I'd say this in preface to the fact that I
19 will be filing a motion asking that that protective order be
20 vacated by the judge because I don't believe that we're going
21 to be going into anything in either Mr. Hall or Dr. Di Marco's
22 deposition that we're taking here that would be trade secrets
23 or -- well, in essence, I want to be sure that we prepare a
24 protective order with this deposition so that there's no
25 violation of it, at least on our side, in spirit or in

1 substance.

2 I understand that the Court is also
3 putting down an order relative to restricting what any of the
4 attorneys may say about this litigation or, if I understood
5 the judge correctly on Friday, other litigation not involving
6 this particular case.

7 At the time of filing of the motion asking
8 that this protective order be vacated, we will be filing a
9 motion asking review of the judge's ruling on that, if he does
10 put out an order this week. If an order goes down, it will be
11 on the oral motion of counsel made Friday, as opposed to any
12 written motion under the rules of us having -- when I say
13 "us", the plaintiff, the plaintiff attorneys having a chance
14 to review that.

15 I'm in this case with two other attorneys,
16 and I've not had the chance to discuss it with them. I did
17 with Jeanette Lay and told her about it, but I've not talked
18 to Ted Wilson; and as soon as the order goes down, I'll
19 certainly be giving it to them.

20 MR. CAMPBELL: Very well.

21 LAWRENCE W. HALL, JR.,
22 called as a witness, at the instance of the plaintiffs, having
23 been first duly sworn, was examined and deposed as follows:

24 EXAMINATION

25 BY MR. LEE:

SC555 5592

1 Q Mr. Hall, for the record let us have your
2 name and your address, please.

3 A Lawrence W. Hall, Jr. [DELETED]

4
5 Q By whom are you employed?

6 A -- that's in Winston-Salem. I'm employed
7 by R. J. Reynolds Tobacco Company.

8 Q How long have you been employed by them?

9 A Since 1968.

10 Q What has been your work history with the
11 R. J. Reynolds Tobacco Company?

12 A When I joined the company I started off in
13 the sales department as a sales representative. A few months
14 later I moved into the marketing research department,
15 marketing research analyst.

16 I remained in the marketing research
17 department of the domestic tobacco company until January of
18 1977, at which time I was transferred to the R. J. Reynolds
19 Tobacco International Company as marketing research manager.
20 I was in that position for approximately two years, at which
21 time I was made marketing director.

22 In September of 1980 I returned to the
23 domestic tobacco company as director of marketing development.
24 I held that position for one year, at which time I was
25 promoted to vice president of brand marketing. I was in that

1 position for one year, at which time I was named vice
2 president of marketing development, which is the position I
3 hold today.

4 Q And how many -- is it fair to say that's
5 the executive vice president?

6 A No, sir; just vice president.

7 Q How many vice presidents are there over
8 such various departments?

9 A Do you mean in the total company, how many
10 vice presidents are there?

11 Q Yes, uh-huh.

12 A I don't know the exact number.

13 Q Okay; and you've held the vice president
14 in charge of marketing development since when?

15 A September, 1982, I believe.

16 Q Now, each of the positions that you have
17 named for us, I take it from the way that you gave them, in
18 the chronological order, starting as a sales rep up until your
19 current position as vice president of marketing development,
20 those have been promotions?

21 A Most of them, yes.

22 Q Now, tell us what, within the corporate
23 organization, just what the corporate responsibilities of you
24 as vice president of marketing development consists of.

25 A Well, my department is responsible for

1 various marketing research activities which encompass a wide
2 variety of things; sales forecasting, business analysis.

3 We do various kinds of research on new
4 brands, established brands; it encompasses a wide variety of
5 things.

6 I'm the administrator of a department
7 which serves this function.

8 Q And you'll have under you what type of
9 organization?

10 A I don't understand what you mean by type
11 of organization.

12 Q All right. Under you would be -- well,
13 under you would be the managers or the directors of the
14 various brands such as Salem and Winston and Camel and
15 whatnot, would they?

16 A No, sir; the brand managers are in a
17 different department.

18 Q And who would be over the brand managers
19 then?

20 A The brand managers in the department is
21 called the brand marketing department, and it's headed up by
22 John Weinberner (phonetic), who is the vice president of brand
23 management.

24 Q But as vice president of marketing
25 development, your marketing development would be over all

1 brands, would it not?

2 A No, sir.

3 Q All right. Is there a written description
4 of your job?

5 A Yes, sir; there is.

6 Q Could you obtain that and let that be
7 Exhibit 1 to your deposition?

8 (Thereupon, the job description
9 will be provided as Exhibit 1.)

10 MR. CAMPBELL: We'll see if we can locate
11 that, and furnish it.

12 BY MR. LEE:

13 Q Is there anyone else then other than you
14 that's over marketing development, such as advertising of
15 the various products?

16 A Now, I'm not in charge of the marketing
17 research function. We do research on all the brands, but we
18 -- as I said before -- the management of the brands, which
19 includes the responsibility for advertising, is in a different
20 department.

21 Q Well, but your duties, your corporate
22 responsibility, would entail, would it not, Mr. Hall,
23 arriving at, through marketing research, marketing
24 development, the themes that you would develop relative to
25 promoting and selling such products as, say, Winston and

1 Camels?

2 A Now, what is the question?

3 Q The question is simply this, that within
4 your corporate responsibility as vice president of marketing
5 development, you would develop the research and do the
6 marketing theme for such products as, say, Winston and Camels?

7 A We would do the research but we would not
8 develop the theme.

9 Q All right. In doing the research you
10 report directly to the president of the company, do you not?

11 A No, sir.

12 Q Who do you report to?

13 A I report to the senior vice president of
14 marketing.

15 Q And who is president of the company?

16 A Gerald H. Long.

17 Q Now, in your -- all right; tell me again.

18 I realize Exhibit 1 is going to be your written description of
19 your job, but just tell me the best that you can recall of
20 your understanding of Exhibit 1; that is, your duties, your
21 corporate responsibility within the R. J. Reynolds Tobacco
22 Company.

23 A Well, basically my responsibility is to
24 ensure that management is provided with research, analyses
25 that will help them make business decisions

50555 5597

1 That's it in a nutshell.

2 Q And management would consist of what
3 group?

4 A It could be any number of groups.

5 Q Well, the president, Mr. Long, would
6 preside over management, would he not?

7 A Yes, sir.

8 Q Now, in your capacity as vice president of
9 marketing development, I have been provided with what appears
10 to be a position paper dated March 31, 1983. Are you familiar
11 with that?

12 A I'd have to look at it. (Attorney Lee
13 hands to witness).

14 MR. CAMPBELL: Mr. Lee, at your request
15 we provided you with that document. I don't think
16 there's anything on the face of the document that
17 refers to a position paper; however, it is a
18 document, dated, as you say, in response to your
19 request.

20 A (Continuing by the witness) Now, what is
21 the question?

22 Q The question, I hand you this document
23 that's been described to me, or what I've understood is the
24 company's position relative to issues as to the health
25 consequences of smoking. Are you familiar with that document?

1 MR. CAMPBELL: I object to counsel's
2 preamble. If you want to ask him if he's familiar
3 with the document.

4 BY MR. LEE:

5 Q All right. Let me go about it then both
6 ways. First, have you seen this document before this morning?

7 A I'm not sure if I've seen this particular
8 document or not.

9 Q Well, a copy of it. I realize that
10 there's probably several copies.

11 A It does look familiar; and, it's also two-
12 and-a-half years old, and I see hundreds and hundreds of
13 documents. I may have seen this; I may not have.

14 But, it does look familiar.

15 Q Tell the Court and jury what that document
16 is, then, Mr. Hall.

17 And, look at it; first, how many pages is
18 it, so that we can identify it by page numbers?

19 Let me mark it as Exhibit 2 so that we
20 will know what we're talking about.

21 A It's 39 pages.

22 Q A total of 39 pages; does that include the
23 footnotes?

24 A Yes.

25 Q All right. Let her mark it as Exhibit 2,

1 and then I suppose I should ask you to look at it as Exhibit
2 2.

3 (Thereupon, the document was
4 marked Exhibit Number 2.)

5 A (by the witness) Could you repeat the
6 question?

7 Q Okay; now, the question is, what is the
8 document that you have before you, marked as Exhibit 2, that
9 has the date of March 31, 1983 on it?

10 A I don't know what would be an appropriate
11 title for it, but it appears to be a summary of various pieces
12 of research regarding smoking and health.

13 Q Okay; let me ask, have you seen that
14 document before this date, or a copy of it? You may not have
15 seen that actual paper.

16 A As I said before, I could have seen it; it
17 looks familiar, but I don't know for sure if I have seen it or
18 not.

19 Q Do you know Robert Di Marco -- is his
20 first name Robert?

21 MR. CAMPBELL: Yes.

22 A (by the witness) Yes.

23 Q Does your job cause you to come in contact
24 with him?

25 A Yes, sir.

SC555 5600

1 Q And what is his title with the company?

2 A His title is senior vice president,
3 research and development.

4 Q What is your understanding of his duties?

5 A He is responsible for all of the company's
6 R & D activities.

7 Q And R & D, is that Research and
8 Development?

9 A Yes, sir.

10 Q Does the two of you, or will the two of
11 you's job overlap any?

12 A What do you mean by "overlap"?

13 Q "Overlap" meaning do any of your duties
14 overlap with the same duties that he would have?

15 A No, I wouldn't say so.

16 Q Now, looking back at Exhibit 2, and have
17 you -- just tell me, and if you've never, if you say that
18 you've never seen it before, Mr. Hall, I'll stop at that, but,
19 just -- have you seen this document; do you understand what
20 I'm talking about?

21 A I believe I answered that I may have seen
22 it, but I can't be absolutely certain that I have.

23 Q All right. Now, tell us about where you
24 may have seen it. Do you understand it as being a company
25 position paper?

50555 5601

1 A I don't know how it would be
2 characterized. I'm not a scientist, and there's a lot of
3 things in there that are simply beyond my in-depth
4 understanding.

5 Q Well, would this not be something that
6 you'd be concerned with within your corporate responsibility
7 as vice president of marketing development to understand and
8 know the company's positions on issues?

9 A Yes, it's my responsibility to understand
10 the company's position on issues.

11 Q Do you know of any internal memoranda
12 which referred to any allegations that a health hazard exists
13 from the use of tobacco products?

14 A I'm not sure specifically what you're
15 referring to.

16 Q Now -- all right. Let me go back, then,
17 and just ask you some things leading up to that, and I'll come
18 back to that question and Exhibit 2 again, momentarily.

19 You came with, you say, the R. J. Reynolds
20 Tobacco Company in 1968?

21 A Yes, sir.

22 Q So you've been with the company, what is
23 that, 17 years?

24 A Yes, sir.

25 Q Roughly 17 years. You worked in many

1 positions and from what I understood earlier that most of
2 those change of positions have been promotions, which is part
3 of the corporate organization, is it not, that you can
4 progress within the corporate hierarchy or structure?

5 A That's correct.

6 Q Now, during that 17 years you have heard
7 and understood and know that there's been not only allegations
8 but numerous allegations relative to the harmful effects of
9 smoking as it pertains to a person's health?

10 A Yes, there have been.

11 Q Now, before you came with the company,
12 there was what is known as the Surgeon General's Report, that
13 is, the U.S. Surgeon General's Advisory Committee on Smoking
14 and Health, as it pertains to smoking and health, that was
15 issued in 1964.

16 First, did you know that?

17 A I am aware of the Surgeon General's Report
18 in 1964, yes.

19 Q Have you read that report, yourself?

20 A No.

21 Q Are you familiar with the R. J. Reynolds
22 library here in Winston-Salem?

23 A The R. J. Reynolds library?

24 Q Um-hmm (positive); did you know they had
25 one?

50555 5603

1 A There are several libraries.

2 Q Have you ever been to any of those?

3 A From time to time.

4 Q Well, how about the libraries that

5 Mr. Di Marco is over on that's under his group; are you

6 familiar with that?

7 A I know they have a library, but I'm not

8 familiar with it.

9 Q All right. How many libraries would

10 R. J. Reynolds Tobacco Company have, then, or R. J. Reynolds

11 Industries, whichever you would term it?

12 A I don't know how many.

13 Q Would they have more than one, then, would

14 they?

15 A Yes.

16 Q More than one here in Winston-Salem?

17 A Yes.

18 Q And where would they be?

19 A I believe the library is in the World

20 Headquarters Building.

21 Q And where is that; physically, where is

22 that?

23 A Physically, where is it? I don't remember

24 the name of the street.

25 Q No; what city?

50555 5604

1 A In Winston-Salem.

2 Q Now, after the Surgeon General's Report
3 came out there was a series of warnings that the Surgeon
4 General has that Congress required or mandated be put on the
5 cigarettes; are you familiar with those?

6 A Yes, sir.

7 Q Have you actually read those, yourself?

8 A I believe I have.

9 Q Now, have you had a chance to review or
10 have you read Bob Emkin's (phonetic), Robert Emkin's
11 deposition that was taken, oh, May the 13th, 1985?

12 A No, sir.

13 Q Have you read any of the -- well, have you
14 read Dr. Marvin Vickers' deposition, taken as it pertains to
15 Floyd Roysdon?

16 A No, sir.

17 Q Did you know that your case is being taken
18 today in the Floyd Roysdon case, pending over in the U.S.
19 District Court of Knoxville?

20 A Yes, sir.

21 Q Do you know who Floyd Roysdon is?

22 A Only vaguely.

23 Q And tell us, what is your understanding of
24 Floyd Roysdon?

25 MR. CAMPBELL: We would object on the

5055 5605

grounds that any knowledge that Mr. Hall would have with regard to Floyd Roysdon would be learned from counsel, and that would be certainly privileged.

BY MR. LEE:

Q Well, let me -- I don't want you to tell us anything that counsel has told you, but I'll tell you what the case is about.

Do you understand what this case is about?

A In very general terms.

Q And that's in essence that -- see if this is a fair analogy to you, that Floyd Roysdon says that due to his smoking cigarettes that he developed peripheral atherosclerotic vascular disease that caused the loss of his left leg below the knee; does that sound anything to you -- does that help you, remind you?

A Yes, sir.

Q All right. Now, do I understand that you've not then read Mr. Emkin or Dr. Vickers or Dr. Dwight Parkin or anyone's deposition in this case?

A That's correct.

Q All right. Now, beginning January 1, 1966, there was a warning placed on cigarettes saying, "Caution: Cigarette smoking may be hazardous to your health"; do you remember that; in fact, that would have been in effect when you came with the company, then, would it not?

1 A Do I remember the warning?

2 Q Yes.

3 A Yes.

4 Q All right. Now, what is the company's
5 position relative to that issue; that is, whether or not
6 smoking at the time you came with the company in 1968 may be
7 hazardous to your health?

8 A When I came to the company the company's
9 position was that it had not been scientifically established
10 that smoking was the cause of any of the alleged diseases
11 associated with it; and it's been that way ever since.

12 Q Now, after you -- well, when you came with
13 them, then, that was on the cigarettes; and then that
14 was changed, effective November 1, 1970, that reads, "Warning:
15 The Surgeon General has determined that cigarette smoking is
16 dangerous to your health." Do you remember that?

17 A I remember the change in the warning, yes.

18 Q All right. What was the company's
19 position then relative to that new warning?

20 A The company's position was the same; it
21 did not change.

22 Q Okay; as to the first one, I'm going to
23 hand you, and ask this be Exhibit 3; and this is really 10
24 from Emkin, and -- the one I was reading from; it was on the
25 cigarettes when he came with the company.

1 A What is your question?

2 Q I was going to put that as Exhibit 3.
3 We've been talking about that earlier.

4 MR. CAMPBELL: For the record, we would
5 object to that as being irrelevant to the issues
6 in the case, at trial.

7 (Thereupon, the document was
8 marked Exhibit Number 3.)

9 BY MR. LEE:

10 Q Okay; and then Exhibit 4, the warning that
11 began November 1, 1970.

12 MR. CRIST: I think that was Exhibit 9 to
13 Emkin.

14 MR. LEE: Right, uh-huh; yes.

15 Mark that Exhibit 4, the same way; and as
16 Mr. Crist pointed out, that is Exhibit 9 to
17 Emkin's deposition.

18 (Thereupon, the document was
19 marked Exhibit Number 4.)

20 BY MR. LEE:

21 Q Now, Mr. Hall, what is the company's
22 position then as to the warning, "The Surgeon General has
23 determined that cigarette smoking is dangerous to your
24 health"?

25 MR. CAMPBELL: I think he already answered

1 that.

2 Q (Continuing) Had you already answered
3 that, then?

4 A I thought I had.

5 Q Now, how long, Mr. Hall, was that warning
6 in effect and on cigarettes produced by R. J. Reynolds Tobacco
7 Company?

8 A Which warning are you talking about, now?

9 Q The one on Exhibit 4, saying, "The Surgeon
10 General has determined that cigarette smoking is dangerous to
11 your health".

12 A Well, that would have been on there from
13 1976 until October of this year, I believe.

14 Q All right. I hand you then this one and
15 ask it be Exhibit 5; do you recognize it as being the four
16 rotating warnings that came on in October of 1985?

17 MR. CRIST: Emkin's Exhibit 11,
18 in Emkin?

19 MR. LEE: Yes. Do you recognize that as
20 being --

21 MR. CAMPBELL: What exhibit is that to
22 be marked as?

23 THE COURT REPORTER: This is 5; it was
24 11.

25 MR. LEE: This one is 5; and I'm keeping

50555 5609

these tabs on here, because that's the way we put them on Emkin's.

(Thereupon, the document was marked Exhibit Number 5.)

MR. CAMPBELL: The defendant would likewise object to the reference to those warnings as being irrelevant.

THE COURT REPORTER: We don't have an answer on record --

MR. LEE: In what --

THE COURT REPORTER: -- to the last question.

MR. LEE: I'm sorry; read the question back to the witness.

MR. CRIST: The question wasn't finished; that was the problem.

THE COURT REPORTER: "Do you recognize this as being the four rotating warnings that came on in October of 1985?"

A (by the witness) Yes.

THE COURT REPORTER: Thank you.

BY MR. LEE:

Q All right. Now, in the corporate organization or corporate responsibility, and in your capacity as the vice president in charge of marketing development, do

1 you know the company's position as to these four warnings,
2 then; when I say "these four warnings", the ones shown in
3 Exhibit 5, and let me read them, and I'm looking at Exhibit 5.

4 "(1) Surgeon General's Warning. Smoking
5 causes lung cancer, heart disease, emphysema, and may
6 complicate a pregnancy."

7 Do you know the company's position on that
8 one?

9 MR. CAMPBELL: Of course we object to that
10 on the grounds that the company's position on
11 warnings in October of 1985 would not be relevant to
12 Floyd Royson's complaint.

13 BY MR. LEE:

14 Q Okay. Do you know the company's position
15 on that?

16 A The company's position on the smoking and
17 health controversy is as I stated it previously, so I'm not
18 sure I understand exactly what you're asking now.

19 Q All right. I'm asking -- I've asked you
20 about the two warnings earlier, and we discussed those, and
21 you indicated that you had stated the company's position; and,
22 if I understood you, and if you had stated it, I knew that you
23 stated it on the first one, that your company's position was
24 that there was no scientific proof saying that smoking may be
25 hazardous to your health.

1 And then when I asked you the second time,
2 as to the warning, "The Surgeon General has determined that
3 smoking is dangerous to your health", you indicated that you
4 had already answered that, and I assumed it was answered the
5 same as the earlier one; am I correct on that?

6 A I believe I stated that the company's
7 position, as I understand it, is that smoking has not been
8 scientifically proven to cause any disease in humans;
9 and --

10 Q All right. Now -

11 A (Continuing) -- I thought that was what
12 you asked me.

13 Q That was, and then I asked about this one;
14 and is there any change in that company's position after this
15 warning?

16 A There has not been any change, to my
17 knowledge, in the company's position at all.

18 Q All right. Would that be the same then as
19 to (2), (3) and (4); that is, quitting smoking now greatly
20 reduces serious risk to your health. Would it be the same?

21 A The company's position has not changed, to
22 my knowledge.

23 Q And then just going through the other
24 three, "Smoking by pregnant women may result in fetal injury,
25 premature birth, and low birth rate"; would it be the same?

1 A Yes.

2 Q And then the fourth one, "Cigarette smoke
3 contains carbon monoxide"; would that be the same?

4 A Right.

5 Q To what extent, within corporate
6 management, have you heard discussions relative to the health
7 consequences of smoking?

8 MR. CAMPBELL: I object to that. I don't
9 know how one can answer a question that general,
10 "to what extent"; perhaps you should ask something
11 a little more specific.

12 BY MR. LEE:

13 Q All right. Let me ask it this way then.

14 Has there been any discussion within
15 R. J. Reynolds Tobacco Company during the 17 years that you
16 have been there, and particularly in the years before 1983,
17 relative to the health consequences of smoking; that is, that
18 smoking is hazardous to your health.

19 My question to you, has there been any
20 discussions within corporate management relative to that
21 issue?

22 A I don't know what you mean by
23 "discussions". That is a very broad question.

24 It is acknowledged that these allegations
25 have been made and that sometimes is referred to in general

1 discussions, but I don't know exactly what you're driving at
2 in terms of a specific kind of discussion.

3 It's a very broad question.

4 Q Well, do you discuss health consequences
5 of smoking when you discuss advertising, and particularly
6 your marketing development, Mr. Hall?

7 A In what way? I'm still...

8 Q Such as in your theme of depicting smoking
9 as being associated with outdoors, healthful activities, youth
10 activity, or the various themes that you would develop within
11 your marketing development; do you discuss the health
12 consequences of smoking as it relates to advertising now?

13 MR. CAMPBELL: Mr. Lee, Mr. Hall has
14 testified that he is not involved in devising
15 advertising themes. So, for that reason, we
16 object to that question, as phrased.

17 BY MR. LEE:

18 Q Well, let me put it this way. In
19 formulating or putting together an advertising campaign, would
20 you look at whether or not smoking presented a potential
21 health hazard?

22 MR. CAMPBELL: Here again, Mr. Hall is not
23 involved in advertising.

24 Now, if he can answer that, fine; but
25 that's not his department.

50555 5614

BY MR. LEE:

Q Okay. Do you understand the question?

A I'm not sure I understand the question.

Q All right. The question is this. In formulating or putting together an advertising campaign, would you look at whether or not smoking presented a potential health hazard?

A We make no health claims in our advertising, so, we wouldn't be discussing it, because we don't make health claims in our advertising.

Q My question to you, though, within your position, your capacity, your duties, -- however you want to put it -- of your corporate responsibilities, would you in formulating or putting together an advertising campaign, would you look at whether or not smoking presented a potential health hazard?

A No, because we don't make health claims one way or another in our advertising.

Q Why is that; why do you not take into consideration the health hazards of smoking within your advertising and advising the public or promoting your product with the public?

A Well, our advertising does contain the Surgeon General's warning; our packs contain the Surgeon General's warnings.

SC555 5615

1 It's very widely known that cigarettes
2 have been alleged to be associated with various diseases. Our
3 position is that this has not been scientifically established.

4 The warning is in every ad; the warning is
5 on every pack.

6 Q When you say it's widely known, of the
7 potential or of the health hazards of smoking, is this
8 something that it would be fair to say that it's widely known
9 within management of R. J. Reynolds Tobacco Company?

10 MR. CAMPBELL: Now, we object to that
11 question; object to the form. You've stated that
12 it's -- you quoted Mr. Hall as saying that it's
13 widely known, as to the health hazard of smoking.

14 What Mr. Hall testified to was the claim
15 of an association between cigarettes and disease
16 are widely known.

17 BY MR. LEE:

18 Q Well, I'll ask you to tell me then what
19 you said, if I've misquoted you. I didn't feel I've misquoted
20 you.

21 I thought you said that it was widely
22 known, of the health hazards of smoking; did you say that or
23 not?

24 A I did not mean to say that if I did.

25 Q All right. Tell me what you said then.

SCS55 5616

1 A I said it is widely known that cigarettes
2 have been alleged to be health hazardous.

3 Q Now, what is the company's position as to
4 that allegation, then?

5 A That's the same as I stated it before.

6 Q All right. Would that be the same then as
7 what you've stated before as relates to the Surgeon General's
8 reports?

9 A We have one position; and it applies here,
10 too.

11 Q All right; and is that one position, would
12 that be the one that's stated in Exhibit 2?

13 MR. CAMPBELL: If you know what is stated
14 in Exhibit 2.

15 A (by the witness) Well, our position is
16 that smoking has not been scientifically determined to cause
17 any disease in humans; and I don't know any better way to
18 state it than that.

19 Q Okay. Has there been any change in that
20 position, then, over the 17 years that you've been with R. J.
21 Reynolds Tobacco Company?

22 A Not that I'm aware of.

23 Q Now, in your marketing development has
24 there been any change in the advertising theme or the
25 advertising -- however you'd best put it, advertising

50555 5617

1 campaign; has that ever changed when there's been a change in
2 the warnings that's occurred as shown in these exhibits on
3 three different occasions?

4 A What do you mean by "advertising
5 campaign"?

6 Q Well, what do you understand as being,
7 an advertising campaign being, Mr. Hall?

8 A We have a campaign for each of our major
9 established brands; so, there's several campaigns.

10 None of those campaigns, to my knowledge,
11 have changed as a result of the change in the health warning.
12 They may have changed concurrently, but that would have only
13 been a coincidence.

14 Q Well, would it be fair to say that there
15 has been no change in the policy relating to advertising in
16 R. J. Reynolds Tobacco Company as a result of those
17 allegations or those Surgeon General's reports and warnings?

18 MR. CAMPBELL: Isn't that the same
19 question you asked before and he answered it?

20 MR. LEE: I don't believe it is.

21 THE WITNESS: I thought I answered the
22 question, but I'll answer it again if you'd like.

23 MR. LEE: Okay. If you would, I'd
24 appreciate it.

25 A (by the witness) To my knowledge, there's

1 not been any change in any advertising campaign for any brand
2 as a result of a change in the warning statement.

3 Q Would it be fair to say that there's --
4 the same way -- there's been no change in the policy relating
5 to advertising, R. J. Reynolds Tobacco Company, as a result of
6 those Surgeon General's reports or the warnings or allegations
7 of health hazards of smoking?

8 A Not that I'm aware of.

9 Q All right. Now, Mr. Hall, you told us
10 of your corporate responsibility and what you do; is there
11 anyone in the company with the corporate responsibility,
12 charged with monitoring the health consequences of smoking?

13 A There probably is, but I'm not sure who it
14 would be.

15 Q What department would that be in?

16 A I really don't know.

17 Q Would you, within your corporate
18 responsibility of marketing development, have any contact with
19 the person that would be in charge of monitoring the health
20 consequences of smoking?

21 A If I don't know who it is I couldn't
22 answer the question.

23 Q All right. Well, if you don't know who it
24 is, tell the Court and jury whether you've had any contact
25 with that person or not, yourself?

SC555-5619

1 MR. CAMPBELL: Well, he couldn't know if
2 he's had contact with someone if he doesn't know who
3 that someone is; I think that's his point.

4 BY MR. LEE:

5 Q All right. Who within the corporation
6 then assigns those responsibilities; for instance; your
7 Exhibit 1 is going to be your job description. Who laid that
8 out for you?

9 A Who laid out my job description?

10 Q Yes.

11 A Well, I developed it, myself; and it was
12 approved by my supervisor.

13 Q It was approved by who?

14 A My supervisor.

15 Q And who would your supervisor be?

16 A Martin Orlawski (phonetic).

17 Q And what is his title with the company?

18 A Senior vice president, marketing.

19 Q Okay. Now, would he report then to the
20 president?

21 A Yes, sir.

22 Q So in the hierarchy of R. J. Reynolds
23 Tobacco Company people like yourself would report on up to
24 ones higher than them; eventually to the president, in this
25 instance Mr. Long?

50555 5620

1 A Correct.

2 Q And that would be fair to say of whoever
3 it is that's in charge of monitoring the health consequences
4 of smoking would likewise report to their superior, who, in
5 turn, ultimately would report to the president of the company?

6 A That's reasonable to assume, yes.

7 Q Well, it's not so much an assumption;
8 that's just the way it works, isn't it?

9 A Yes.

10 Q Tell us, Mr. Hall, of just how you go
11 about doing your job of marketing development; and I don't
12 wish to get into any trade secrets. If there's any trade
13 secrets, then if you'd say that "that's a trade secret" then
14 I'll maybe try to ask it in a way not to reveal a trade
15 secret.

16 But, the way of going about marketing, and
17 the research that goes into it and the themes that come up,
18 the way you go about arriving at the themes and the policies,
19 that's something pretty well known within the business, is it
20 not?

21 A What was the question?

22 MR. CAMPBELL: I don't think we have a
23 question. J.D., he has said that he doesn't
24 arrive at advertising themes; he is in the field
25 of marketing development, and I think that he can

1 certainly answer your question if your question
2 is what are some of the, or what are all of the
3 activities within the marketing development
4 department. Maybe that would be one way to get
5 into it.

6 BY MR. LEE:

7 Q Yes. If you could do that, then.

8 A Well, we are involved in a number of
9 various kinds of activities. Can you be more specific?

10 Q Okay, and, what would those activities be;
11 first you'd do research, wouldn't you?

12 A Marketing research.

13 Q Okay.

14 A We do sales forecasting. We do business
15 analysis. We do product testing.

16 When new brands are developed we test
17 names; we test alternative package designs.

18 The list goes on and on. I don't know if
19 I've given you a flavor for it or not, but generally those are
20 the kinds of things we do.

21 Q Well, for instance, you'll have certain
22 brands and you'll target various groups, such as maybe you
23 would target one group as being women, would you not?

24 A That's pretty broad.

25 Q Well, how about changing the emphasis to

1 hit more directly to female smokers than smokers of both sex
2 as it pertains to More cigarettes?

3 MR. CAMPBELL: We object to that. The
4 targeting of female smokers, if there is such a
5 phrase, is not relevant to Floyd Roydsdon's case.

6 We object to that.

7 BY MR. LEE:

8 Q Well, is that true, as to targeting, say,
9 a brand, to women?

10 THE WITNESS: Am I supposed to answer
11 that?

12 MR. CAMPBELL: Yes; you can go ahead and
13 answer it. I'll let him go a little longer.

14 A (by the witness) Well, certain of our
15 brands are targeted to female smokers; More is an example of
16 that.

17 MR. CAMPBELL: More; proper name, More.

18 THE COURT REPORTER: Yes; I have it.

19 MR. LEE: M-o-r-e.

20 BY MR. LEE:

21 Q Okay. Have health considerations ever
22 been given as a reason for or an inducement for changing
23 direction, to your knowledge?

24 A I thought I answered that question.

25 Q Well, I don't believe I've asked that

50555 5023

1 before.

2 A It sounds familiar.

3 Q Well, is your answer the same, then, that
4 there is no -- I've asked that as to other matters, but I
5 don't believe I've asked it as to whether there's been any
6 change in the direction --

7 MR. CAMPBELL: You've asked him that
8 question, phrased another way, J.D.; his answer
9 has been that R. J. Reynolds makes no claim one
10 way or the other with regard to health and smoking,
11 and therefore the question answers itself.

12 BY MR. LEE:

13 Q Mr. Hall, -- and the record will correct
14 me if I've asked this question before, but -- I'm asking you,
15 have health considerations ever been given as a reason for or
16 an inducement for changing the direction, to your knowledge?

17 A Are we talking about the direction of the
18 More campaign?

19 Q Yes; any of the campaigns that would be
20 targeted to any group. You indicated that the More campaign
21 was targeted more to women, and my question is, have health
22 considerations ever been given as a reason for or an
23 inducement for changing the direction, to your knowledge?

24 A We've made no health claims, and we
25 haven't made any changes based on any health claims.

1 I think that's the question asked and I
2 answered before.

3 Q All right. Now, I've not asked you
4 specifically about the allegations as it relates to addiction.
5 Now, let me ask you that now.

6 Has it ever come to your attention that
7 there's allegations have been made that cigarettes are
8 addicting?

9 A I've heard that allegation, yes.

10 Q And do you take that allegation in
11 consideration in your marketing and developing advertising
12 policies or themes?

13 A Well, I'm not involved in the developing,
14 development of themes; but I'm certainly not aware that the
15 issue of addiction has come into play one way or another in
16 the development of any advertising campaign.

17 Q What is the company's position as to
18 whether cigarettes are or are not addictive?

19 A I don't know that I'm qualified to speak
20 for the company on that; I can tell you, give you my personal
21 opinion on it.

22 Q Okay; go ahead.

23 A Well, I'm not a scientist so I don't know
24 what the scientific or medical definition is of "addiction",
25 but, certainly, cigarettes certainly don't fit in my personal

produced by RJRTC

5555 5625

1 definition.

2 Q Okay. Have you any position on that in
3 your capacity as vice president, working for the company these
4 17 years?

5 A Cigarettes are not addictive, to me,
6 personally, so, again, I don't know that I'm in authority to
7 speak for the company. I know that this is an area that's
8 certainly out of the realm of my understanding or
9 responsibility.

10 Q Okay, and in the use of additives to
11 cigarettes, has it ever come to your attention that there has
12 been any investigation as to the hazard potential of the use
13 of additives?

14 MR. CAMPBELL: Objection; irrelevant.

15 It's outside of Mr. Hall's field.

16 BY MR. LEE:

17 Q Okay. Can you answer that question? The
18 Court will rule on the objection later, Mr. Hall; but, can you
19 answer that; and I'll repeat it.

20 In the use of additives, has it ever come
21 to your attention that there has been any investigation as to
22 the hazard potential of the use of additives?

23 A Well, that's an area outside of my
24 bailiwick. I really can't speak to that at all.

25 Q Do you know whether or not there's been an

1 effort to get tobacco companies, which would include R. J.
2 Reynolds, to disclose what the ingredients are in a cigarette,
3 such as additives?

4 A I am aware that there has been such an
5 effort, yes.

6 Q Do you know why that is?

7 A I don't know.

8 Q Do you know whether or not there's been
9 any investigation ever been undertaken by the company, R. J.
10 Reynolds Tobacco Company, to determine whether or not
11 cigarettes are addictive?

12 A I'm not aware of any.

13 Q Mr. Hall, are you aware of any specific
14 studies of the health consequences of smoking?

15 A I'm aware that specific studies have been
16 done but I am not qualified to speak to them nor can I quote
17 any specific ones to you.

18 Q In your capacity as vice president of
19 marketing development and in your capacity of other positions
20 that you've held with R. J. Reynolds Tobacco Company, have you
21 ever had occasion to read or look at any of the Surgeon
22 General's reports?

23 A I believe I have seen copies of various
24 reports.

25 Q Well, have you read copies of those

1 reports?

2 A I've -- no. Most of the stuff in there is
3 something that I'm not, my background doesn't really qualify
4 me to understand, so; I've skimmed them, generally. I've
5 looked over them, but I've not sat down and read them word for
6 word, if that's your question; no.

7 Q Okay. Let me ask you if you have either
8 seen or read this, then, and I'm reading from a 1983, the
9 health consequences of smoking, cardiovascular disease, the
10 report of the Surgeon General, Page 8, under block heading
11 "Atherosclerotic Peripheral Vascular Disease and Aortic
12 Aneurysm".

13 "(1) Cigarette smoking is a most powerful risk
14 factor, predisposing to atherosclerotic peripheral vascular,
15 or peripheral arterial disease."

16 MR. CAMPBELL: Now, we object to that;
17 object to the referral to the Attorney General's
18 (sic) reports, and any of them, and we object to
19 the question on the grounds that it discusses an
20 area that is totally outside the area of
21 responsibility or expertise of this witness, and
22 he should not be required to answer that question.

23 BY MR. LEE:

24 Q All right. Have you ever heard that,
25 Mr. Hall?

50555 5628

1 A I'm not sure if I have or not. As I said,
2 this is an area that's outside my understanding and
3 responsibility.

4 Q Well, when I ask you about a vascular
5 disease or, specifically, atherosclerotic peripheral,
6 atherosclerotic vascular disease, do you know what I'm talking
7 about?

8 A I really don't know what you're talking
9 about. As I said, I'm not a scientist. I don't think I
10 could even pronounce it.

11 Q Okay. I'm pronouncing it "peripheral
12 atherosclerotic vascular disease"; have you heard it
13 pronounced any other way?

14 A I don't know that I've heard the term; I'm
15 just not familiar with these terms. These are medical terms,
16 scientific terms. I'm not familiar with them.

17 Q Now, to refer back to Exhibit 2; do you
18 need to look at it any more to see whether or not you
19 understand what this document is?

20 A It depends on the question.

21 Q Pardon?

22 A It would depend on the question.

23 Q All right. You've looked at Exhibit 2
24 earlier. It's dated 3-31-83.

25 And it's got a section, on Page 12,

1 cardiovascular disease. Do you know what that's talking
2 about?

3 A I don't know any more than what's stated
4 on the page; and I don't know if I've seen this before or not,
5 as I stated earlier.

6 Again, this is an area that I'm totally
7 unqualified to comment on.

8 Q Have you had occasion to serve on any
9 committees within R. J. Reynolds Tobacco Company?

10 A Yes.

11 Q What are those committees, please?

12 A I'm on a committee called the Operating
13 Committee, and I'm on a committee called the Product Strategy
14 and Positioning Committee.

15 I'm on another committee called the
16 Product Distribution Committee.

17 Q Who would be on the committee of the
18 Strategy Committee you mentioned there earlier; who else would
19 serve on that committee with you?

20 A Do you want names; --

21 Q Yes.

22 A -- names of people. There's a number of
23 people on that. I don't know if I can remember all of them.

24 There would be Mr. B. B. Hardin;
25 Mr. J. T. Weinberger; Ms. S. A. McKinnon (phonetic spellings)

1 Q Mr. Hall, would that maybe then -- excuse
2 me.

3 A There are others. I was trying to
4 remember them.

5 Q Okay. Right. I didn't mean to interrupt
6 you.

7 But that committee, and then the others,
8 whoever else would be on it with you; you, in turn, would
9 arrive at company recommendations and pass that on to your
10 superiors, I take it?

11 A That's correct.

12 Q And they in turn would act upon it, if
13 they took your recommendations, I take it?

14 A Correct.

15 Q Are you familiar with the Tobacco
16 Institute?

17 A Yes.

18 Q Okay. What is the Tobacco Institute;
19 first, is R. J. Reynolds a member of it?

20 A Yes.

21 Q And what is the Tobacco Institute?

22 A It's a trade association.

23 Q And what does it do?

24 A Basically serves the various members of
25 the association in terms of acting as a body for articulating

Produced by RJRTC

SC555 5037

1 the industry's position on various issues.

2 Q Would that include dealing with the media
3 as to those issues?

4 A Yes.

5 Q How is the dues on R. J. Reynolds'
6 contribution to the Tobacco Institute determined?

7 A I don't know.

8 Q Have you ever served on the Tobacco
9 Institute or any committees within it?

10 A No, sir.

11 Q How about the Institute for Tobacco
12 Research, U.S.A.; what is that organization?

13 A I'm not that familiar with it. I think
14 that is an independent association for doing various kinds of
15 research in conjunction with smoking and health. Again, I'm
16 not that familiar with the organization.

17 Q Do you know whether or not R. J. Reynolds
18 is a member of that group?

19 A I believe it is, yes.

20 Q What does R. J. Reynolds spend on, to put
21 it a different way, for the year, say, 1953 -- 1983, what did
22 R. J. Reynolds spend on tobacco product promotion?

23 MR. CAMPBELL: Object to that and direct
24 the witness not to answer. That's not relevant to
25 the issues in this case.

BY MR. LEE:

Q Do you know what that figure would be, yourself?

A No.

Q Would that be within your department?

A No.

Q How long, Mr. Hall, has the brand, Winston, been in existence?

A I believe it was introduced in 1954.

Q And how about the brand, Camel?

A Camel, I believe, has been around since 1913.

Q Do you have any input, yourself, or have you done any studies or anything relative to the merit of adding additives to the tobacco product?

A No, nothing specific.

Q In your marketing department, either in research or the ultimate end of your marketing development's recommendations to corporate management, does the consideration of the additives that is added to the tobacco product, is that taken into consideration at all?

A Can you repeat the question?

Q Okay. In your job as vice president of marketing development, in your making recommendations to corporate management, do you take into consideration either

1 the consequences of additives or, well, just do you take into
2 consideration the additives that are added to the tobacco
3 product in your job of marketing development?

4 MR. CAMPBELL: Object to this as being
5 irrelevant.

6 If he understands the question, let him go
7 ahead and answer it.

8 A (by the witness) I'm not sure I
9 understand the question, but let me just say that in our
10 department we are responsible for conducting product tests,
11 marketing -- the research and development department is
12 responsible for making the product.

13 So, what we do is test the product with
14 smokers; we learn whether they like it or they don't; we
15 learn what they like about it and what they don't like; and we
16 report those results.

17 So, insofar as any ingredients that would
18 go into the product that might affect the smoking
19 characteristics of the product as conceived by the consumer,
20 we, I believe, would report that.

21 But I'm not sure that that's exactly what
22 you were asking.

23 Q Okay. Mr. Hall, do you know how many
24 chemicals have been identified in the smoke of cigarettes?

25 A That's out of my -- again, we don't

1 develop the product; we simply try to find out if the smoker
2 likes it or not, relative to competition.

3 Q Would that be something that would be in
4 Mr. Di Marco's field?

5 A The research and development department
6 would be responsible for determining what went in the product.

7 Q Okay. Mr. Hall, we're here, doing this
8 deposition in Winston-Salem, and do you know at this time as
9 to whether or not that you'll be able to come over there to
10 the trial? We've listed you as a witness, and do you know
11 whether or not your situation is such that you could come to
12 Knoxville sometime the week of December 9 to testify for the
13 plaintiff in this case -- or for the defendant; to testify?

14 MR. CAMPBELL: Well, of course, Mr. Lee,
15 as to the witnesses that will testify who are
16 personnel of R. J. Reynolds Tobacco Company, that
17 would be left to counsel.

18 And I don't think that Mr. Hall's answer
19 to that question would be relevant under any
20 circumstances.

21 MR. LEE: Okay. That's all we have.

22 All right. Before we go off the record,
23 so there will be no misunderstanding.

24 Mr. Hall, have a seat.

25 We propose to use this as part of our

Produced by RJRTC

FILE

SC555 5635

1 proof. We've listed this man as part of our
2 witness list, and if you have any cross-examination
3 or wish to do any cross-examination of him, we'll
4 not have a chance to come back on anything. Be sure
5 you understand that.

6 MR. CAMPBELL: Very well.

7 I would like for the record also to show
8 then in the questioning of Mr. Hall, counsel has
9 been referring to and reading from a deposition
10 taken in the case of Brower (phonetic) vs. R. J.
11 Reynolds Tobacco Company in the Superior Court for
12 the State of California.

13 MR. LEE: Okay. Let that be exhibit --
14 what's the next number?

15 Just a minute, Mr. Hall.

16 THE COURT REPORTER: Six.

17 MR. LEE: Six; all right. Let this be
18 Exhibit 6, then, to his deposition.

19 (Thereupon, the document was
20 marked Exhibit Number 6.)

21 MR. CAMPBELL: Of course, we object to
22 that as not being competent.

23 MR. LEE: Okay.

24 FURTHER THIS DEPONENT SAITH NOT.

25 (Signature not waived.)

50555 5636

HALL, L.

50

LAWRENCE W. HALL, JR.

Sworn to before me this the ____ day of
____, 1985.

Notary Public

My Commission Expires: _____

produced by RJRTC

in

FLA

50555 5637

HALL, L.

51

C E R T I F I C A T E

STATE OF TENNESSEE:

COUNTY OF KNOX :


I, Carolyn C. DeWick, Professional Court Reporter and Notary Public at large, do hereby certify that I reported in computer shorthand the Deposition of

LAWRENCE W. HALL, JR.,

called as a witness at the instance of the plaintiffs; that the said witness was duly sworn by me; that the reading and subscribing of the deposition by the witness was not waived; that the foregoing pages, numbered from 1 to 50, inclusive, were computer transcribed by me through the DeWick SKAT(tm) System and represent a true and accurate transcript of said deposition.

I further certify that I am not an attorney or counsel of any of the parties, nor an employee or relative of any attorney or counsel connected with the action, nor am I financially interested in the outcome of said action.

Witness my hand and official seal this the 25th day of November, 1985.


CAROLYN C. DEWICK
Professional Court Reporter
and Notary Public at large
Commission Expires 24 FEB 1988

50555 5058

ERRATA - DEPOSITION OF LAWRENCE W. HALL, JR.
November 25, 1985

Page	Line	Change
8	20	Add "are" before "in" and delete "is"
8	22	Change "Weinberner" to "Winebrenner"
9	16	Delete "not"
18	10	Change "Emkin's" to "Emken's"
19	18	Change "Emkin" to "Emken"
20	24	Change "Emkin" to "Emken"
21	13	Change "Emkin" to "Emken"
21	17	Change "Emkin" to "Emken"
23	2	Change "Emkin" to "Emken"
30	2	Change "hazardous" to "hazards"
33	16	Change "Orlawski" to "Orlowsky"
43	13-14	Change "Strategy and Positioning" to "Positioning and Development"
43	24	Change "B. B." to "B. V."
43	25	Change "Weinberner" to "Winebrenner" and "McKinnon" to "MacKinnon"
47	19	Change "conceived" to "perceived"

Lawrence W. Hall, Jr.
Lawrence W. Hall, Jr.

Lisa C. Harriston
Notary Public

Sworn to before me this the 12th
day of February, 1986.

My Commission Expires: 2/15/89